

Market Overview

According to the Ministry of Natural Resources, Canada is among the highest per capita energy users among developed nations and relies on a variety of conventional sources of heating and cooling to meet its demands. The rising cost of these energy sources, combined with increased environmental concerns over the use of these sources, has led many communities to seek alternative forms of energy. One such alternative is district energy.

District Energy began in Canada in the 1880s and, to date, has more than 80 district energy systems servicing communities, industrial and commercial clients. The province of Ontario has the largest number of district energy systems, representing 38% of this industry segment. District energy continues to grow in Canada. For example, to facilitate the 2010 Winter Olympics in Vancouver, more than 170 buildings are included in the expansion of district energy in the area. The Canadian District Energy Association believes that growth in district energy systems across Canada will depend on the success of the industry development of a full service district energy team; a team that can provide integrated expertise ranging from urban planning, through energy engineering, to project finance.

Top Five DE Systems in Canada

| Location | Capacity | Type of Thermal Energy Sold |
|---------------|----------|-----------------------------|
| Toronto, ON | 276 MW | Steam |
| Vancouver, BC | 232.5 MW | Steam |
| Toronto, ON | 195 MW | Steam |
| Montreal, QC | 100 MW | Steam |
| Montreal, QC | 80 MW | Steam |

Other Resources

International District Energy Association

www.districtenergy.org

Canadian District Energy Association

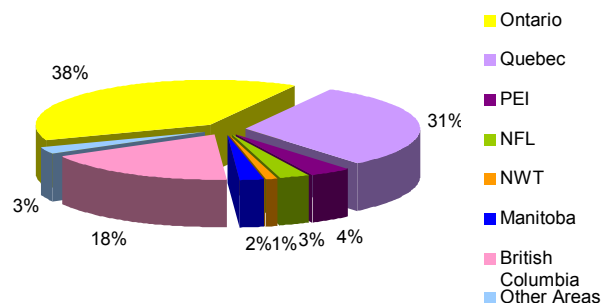
www.cdea.ca

Think Canada First

U.S. companies in the energy business are well positioned to increase their market presence in Canada by meeting the growing demand for district energy systems. We encourage U.S. companies to contact the U.S. Commercial Service to receive more information on how to increase their export potential in Canada's energy market.

District Energy Systems In Canada

(% By province)



Source: Canadian District Energy Association

Planned DE Systems in Canada

District energy systems in Canada have been on the rise since the 1990's as more people are becoming aware of its potential and benefits have been realized from the existing projects. Upcoming projects include up to 1,000 MW of high efficiency combined heat and power projects and district energy projects. For example, Hamilton proposes to use waste heat from steel plants and use it for municipal building's heating requirements. Grand Prairie and Revelstock are proposing to use local wood waste. The interest in the district energy is growing across Canada as concern over energy supply has become a priority, and the government is willing to support any projects in energy conservation. For further details on these and other projects at the planning stage, please contact U.S. Commercial Service in Toronto.

Competitors

Presently, domestic companies service the Canadian district energy market. Since district energy has only begun to expand fairly recently there are not as many participants in the market. Most firms are government-owned companies such as Public Works Canada. The privately owned companies include Enwave District Energy Limited and Northland Power Inc., which are two of the larger companies in Canada. For a complete list of district energy owners and operators visit the Canadian District Energy Association at the website listed below.

We hope that you find this information useful. If you would like further information, please contact the National Energy Sector Specialist, Sharon.Atkins@mail.doc.gov or telephone (403) 265-2116. This fact sheet was prepared by the Ontario Energy Sector Specialist Rita.Patlan@mail.doc.gov, telephone (416) 595-5412, ext. 223 and Intern Ivonne Nadvornianski. Visit our website <http://www.buyusa.gov/Canada> to discover other commercial opportunities in Canada. (03/06)